

HOUSE BILL No. 1365

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-29-1-12; IC 32-29-6-17.

Synopsis: Equitable subrogation. Provides that a mortgagee may not be denied equitable subrogation of a lien solely because the: (1) mortgagee is a lending institution that had constructive notice of the lien; (2) higher priority lien was released; or (3) mortgagee had title insurance. Makes a change consistent with the expiration on July 1, 2003, of the chapter in the Indiana Code controlling the release of a mortgage by a title insurance company.

Effective: July 1, 2003.

Foley, Kuzman

January 14, 2003, read first time and referred to Committee on Financial Institutions.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-29-1-12 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 12. A mortgagee that seeks equitable subrogation**
4 **with respect to a lien may not be denied equitable subrogation**
5 **solely because:**

6 (1) **the mortgagee:**

7 (A) **is engaged in the business of lending; and**

8 (B) **had constructive notice of the intervening lien over**
9 **which the mortgagee seeks to assert priority;**

10 (2) **the lien for which the mortgagee seeks subrogation was**
11 **released; or**

12 (3) **the mortgagee obtained a title insurance policy.**

13 SECTION 2. IC 32-29-6-17, AS ADDED BY P.L.2-2002,
14 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2003]: **Sec. 17. (a)** This chapter applies to the release of a
16 mortgage after June 30, 2001, and before July 1, ~~2002~~, **2003**, regardless
17 of when the mortgage was created or assigned.



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1 (b) This chapter expires July 1, 2003.

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